

**Capital Planning Committee
Meeting Memorandum
October 3, 2002**

In attendance were:

Steve Andrew, via phone
Fred Fantini for John Bilafer
John FitzMaurice
Charles Foskett, Chairman
Nancy Galkowski
Dave Kale
Ruth Lewis
Anthony Lionetta
Barbara Thornton

* Denotes those not in attendance.

1. **Approval of Minutes:** The committee approved the following minutes: December 11, 2001; December 13, 2001; January 10, 2002; April 18, 2002; April 25, 2002; May 2, 2002; and June 6, 2002.
2. **Planning Meeting:** This was the first meeting of the CPC on the FY 03 Plan. Charlie F. provided an agenda outlining organizational items. CPC meeting notes will be posted on the web site.
3. **Election of Officers:** Nancy G., as Chair Pro Tem, conducted the nomination and election of officers. The CPC elected Charlie F. as Chair, Steve A. as Vice Chair and Tony L. as Secretary.
4. **Last Year's Report:** There was discussion about last year's report to Town Meeting. Charlie F. welcomed comments from anybody on ways to improve the presentation of the Plan and related information. Charlie F. noted that last year there was a warrant item left out of the Plan, which ended up being proposed by FinCom. The Department heads on the CPC were asked to help monitor this internally going forward. John F. agreed to be the "Warrant Watchdog".
5. **Symmes Program:** Charlie F. reported on the status of the Symmes' Event Plan. (Memorandum provided to those in attendance) The program is on schedule and the next major event is a presentation of the selected development alternatives planned for November. The Town is pleased with the process to date and attendance at workshop has been very good.
6. **More on Symmes:** There is a possibility that the Symmes program will progress and move onto a developer before there is an impact to the tax bills from the debt exclusion. The Symmes' sale could have some positive impacts to the Town's financial status going forward through an attractive sale price and increased property tax revenue.

7. **Financial Projections:** Nancy G. presented an analysis of the Town's projected financial situation over the next 3 years. The presentation included a comprehensive spreadsheet summarizing expected revenues and appropriations. The analysis predicts significant shortfalls in FY 2004 and 2005 in the range of \$8 - \$10 million. In general, the shortfalls are attributable to 1) reduction in State Aid and an increase in State assessments, 2) reduction in local receipts, and 3) significant increases in insurance and pension plan contributions. The general feeling is that an override will be needed along with belt tightening and program delays. Tony L. requested that any outstanding tax bill implications from prior debt exclusions be disclosed to taxpayers. Fred F. reported that the fall tax bills will reflect costs for the Pierce School construction. There are no other pending "hits" to tax bills (other than the possibility of Symmes). Charlie F. noted that the Town has expended just over a third of the \$34.5 million debt exclusion or 80% of the debt exclusion net of reimbursement. State reimbursement is not expected for 5 – 12 years. There are ongoing discussions about what to do. Proceeding with the School program under the present actual State Reimbursement situation is viewed by many as a violation of what was promised to the voters to approve the debt exclusion. In addition, the building program requirements now exceed \$34.5 million on a gross basis by about \$14 million. The matter is compounded by the potential need for an override and the layering affect on the tax bills.
8. **Special Town Meeting:** A Special TM is planned for November. This is being driven by state aid reductions, which are impacting the budget for this fiscal year. Reductions are planned to be in Operating Budgets. There are no Capital Plan reductions expected at this time. The CPC does not plan to make a statement at Town Meeting.
9. **FY 04 Capital Budget:** It is likely that the CPC will need to develop two capital plans. (Plans with and without an override)
10. **Sub-Committee Adjustments:** It was decided to reassign John F. to Administration and reassign Steve A. to Community Safety.
11. **Meeting schedule:** The CPC meeting schedule is 10/17, **10/30**, 11/14, 11/21, 12/12, / 12/19 and 1/9.
12. **Meeting Adjourned.**